



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

ROY COOPER • Governor

KODY H. KINSLEY • Secretary

MARK PAYNE • Director, Division of Health Service Regulation

VIA EMAIL ONLY

August 28, 2023

Emily Cromer
Director of Regulatory Affairs & Facility Strategy
Emily.cromer@unchealth.unc.edu

Exempt from Review

Record #: 4260
Date of Request: August 17, 2023
Facility Name: University of North Carolina Medical Center
FID #: 923517
Business Name: UNC Healthcare System
Business #: 2991
Project Description: Updates to a previous exemption determination (Record #3371) for the development of a new surgical tower
County: Orange

Dear Ms. Cromer:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that the above referenced proposal is exempt from certificate of need review in accordance with G.S. 131E-184(g). Therefore, you may proceed to offer, develop or establish the above referenced project without a certificate of need.

It should be noted that this determination is binding only for the facts represented by you. Consequently, if changes are made in the project or in the facts provided in your correspondence referenced above, a new determination as to whether a certificate of need is required would need to be made by the Agency. Changes in a project include but are not limited to: (1) increases in the capital cost; (2) acquisition of medical equipment not included in the original cost estimate; (3) modifications in the design of the project; (4) change in location; and (5) any increase in the number of square feet to be constructed.

If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,

Cynthia Bradford, Project Analyst

Micheala Mitchell, Chief

cc: Construction Section, DHSR
Acute and Home Care Licensure and Certification Section, DHSR
NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH SERVICE REGULATION

HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION

LOCATION: 809 Ruggles Drive, Edgerton Building, Raleigh, NC 27603
MAILING ADDRESS: 809 Ruggles Drive, 2704 Mail Service Center, Raleigh, NC 27699-2704
<https://info.ncdhhs.gov/dhsr/> • TEL: 919-855-3873



August 17, 2023

VIA ELECTRONIC MAIL

Micheala Mitchell, Chief
Mike McKillip, Team Leader
CON Section
Division of Health Service Regulation
2704 Mail Services Center
Raleigh, NC 27699-2704

Re: Update to Issued CON Exemption
Construct New Surgical Tower on UNC Hospitals Main Campus; FID # 923517
Record #s 2311 and 3371

Dear Ms. Mitchell and Mr. McKillip:

UNC Hospitals (“UNCH”) is providing this updated notice regarding the CON exemption (the “2020 Exemption”) issued by the Agency on October 22, 2020 (Record # 3371) for UNCH’s construction of a new surgical tower on its main campus (the “Surgical Tower”) to accommodate, among other non-regulated assets, the relocation of existing operating rooms (“ORs”) and licensed acute care beds.¹ See Exhibit 1. UNCH now provides this prior written notice to inform the Agency about some minor planned changes to the development of the Surgical Tower. Importantly, none of these changes impact UNCH’s satisfaction of the requirements of the Main Campus Exemption in N.C. Gen. Stat. § 131E-184(g), as explained below.

I. Continued Design Work Has Resulted in Planned Adjustments.

In the course of designing and developing the Surgical Tower project, UNCH has analyzed how to make the building as efficient as possible and maximize the clinical capabilities of the space. As a result of this analysis, and as explained in Part III below, UNCH has determined that as compared to its plans outlined in the 2020 Exemption, it can optimize the Surgical Tower space by operationalizing 80 licensed acute care beds (instead of 63 licensed beds and 17 unlicensed observation beds), thus maximizing the full 80-bed space capacity of the Surgical Tower, while not increasing UNCH’s licensed bed capacity. Additionally, based on recent CON approvals for projects that have not yet been developed, UNCH plans to pursue alternative opportunities for developing OR and acute care bed capacity in the Surgical Tower, which will require the relocation of fewer existing ORs and acute care beds. See Parts III and IV below for details.

¹ The Oct. 22, 2020 exemption was an update to the CON exemption issued by the Agency on June 30, 2017 (Record # 2311).

On a crowded and congested main campus of an Academic Medical Center, it is critical for UNCH to take advantage of these opportunities to optimize the Surgical Tower space. This notice to the Agency describes the planned adjustments to the project and requests written confirmation that the development of the Surgical Tower as described herein continues to meet the requirements of the Main Campus Exemption in N.C. Gen. Stat. § 131E-184(g).

II. Requirements of CON Main Campus Exemption

As outlined in prior exemption notices for this Surgical Tower, the exemption from CON law provided by N.C. Gen. Stat. § 131E-184(g) (the “Main Campus Exemption”) states that:

“(g) The Department shall exempt from certificate of need review any capital expenditure that exceeds the four million dollar (\$4,000,000) threshold set forth in G.S. 131E-176(16)b. if all of the following conditions are met:

- (1) The sole purpose of the capital expenditure is to renovate, replace on the same site, or expand the entirety or a portion of an existing health service facility that is located on the main campus.
- (2) The capital expenditure does not result in (i) a change in bed capacity as defined in G.S. 131E-176(5) or (ii) the addition of a health service facility or any other new institutional health service other than that allowed in G.S. 131E-176(16)b.
- (3) The licensed health service facility proposing to incur the capital expenditure shall provide prior written notice to the Department, along with supporting documentation to demonstrate that it meets the exemption criteria of this subsection.”

According to N.C. Gen. Stat. § 131E-176(14n), “main campus” means all of the following for purposes of N.C. Gen. Stat. § 131E- 184(f) and (g) only:

- a. The site of the main building from which a licensed health service facility provides clinical patient services and exercises financial and administrative control over the entire facility, including the buildings and grounds adjacent to that main building.
- b. Other areas and structures that are not strictly contiguous to the main building but are located within 250 yards of the main building.

As your Agency has previously found, the Surgical Tower project meets all criteria outlined above for the Main Campus Exemption to CON Law. See Exhibit I. As explained herein, the sole purpose of the capital expenditure is to renovate, replace, and expand existing surgical and inpatient services on the main campus of UNCH, an existing health service facility, in accordance with N.C. Gen. Stat. § 131E-184(g)(1). This will be accomplished through the relocation of existing ORs and acute care beds, and the development and expansion of related ancillary spaces to support the surgical services and ICU level inpatient

services that will be provided in the new Surgical Tower.²

Importantly, in accordance with N.C. Gen. Stat. § 131E-184(g)(2), this project will not result in any change in bed capacity (as defined by N.C. Gen. Stat. § 131E-176(5)) or add any other health service facility or new institutional health service other than that allowed by N.C. Gen. Stat. § 131E-176(16b). In other words, the only portion of the definition of “new institutional health service” that could be implicated by the exempt project is the \$4 million cost threshold in N.C. Gen. Stat. § 131E-176(16b), but that threshold is not applicable in the context of the Main Campus Exemption. The Surgical Tower project does not otherwise propose any development of a “new institutional health service.”³

Finally, in accordance with N.C. Gen. Stat. § 131E-184(g)(3), the Surgical Tower is located on the UNCH main campus in Chapel Hill, which is the site of the main building from which UNCH provides clinical patient services and exercises financial and administrative control over the entire facility. See Exhibit 2 for a map identifying the location of the Surgical Tower development on the UNCH main campus.

III. Changes to Levels 5 and 6 Meet the Requirements of the Main Campus Exemption.

Despite some changes to levels 5 and 6 of the Surgical Tower as described below, the project still meets the Main Campus Exemption. Levels 5 and 6 of the Surgical Tower are designed to accommodate a total of 80 bed spaces. As explained in the 2020 Exemption, UNCH planned to relocate a total of 63 licensed acute care beds from the main hospital building to the Surgical Tower. However, as UNCH has continued work on this project to optimize the programming for the building, it has also identified alternative opportunities for developing acute care beds in the Surgical Tower without impacting the overall capacity of existing and approved beds at UNCH. This allows UNCH to maximize the 80 bed spaces in the tower by developing all 80 beds as licensed acute care beds to be used for various ICU service lines. The current planned sources for 80 licensed acute care beds to be developed in the Surgical Tower are described below.

a. Relocation of Cardiothoracic Step-down Unit (13)

As explained in the 2020 Exemption, UNCH planned to relocate several ICU bed units to the Surgical Tower, including the 13-bed Cardiothoracic Step-down Unit (“CTSU”). However, UNCH now plans to relocate only the 13-bed CTSU to the Surgical Tower, and does not plan to relocate the other ICU bed units identified in the 2020 Exemption.

² In some instances as described below, the Surgical Tower will also house some CON-approved beds and operating rooms as authorized by the Agency and the CONs issued for those projects; those costs will be accounted for and tracked as part of those respective CON approved budgets and are not included in the exemption.

³ Again, certain CON approved assets will be developed in the Surgical Tower, but those projects remain governed by their respective CON approvals and are not implicated by this Exemption for the remainder of the Surgical Tower.

b. Acute care beds displaced by NICU expansion project (22)

On May 31, 2023, UNCH was issued a CON to develop 24 Level IV NICU beds on its main campus (Project ID # J-12320-23) as part of a NICU expansion project. See Exhibit 3. As explained in the approved CON application, the development of the 24 NICU beds involved the displacement of 22 existing licensed acute care beds, rendering 22 licensed acute care beds available for placement elsewhere on the main campus. UNCH plans to relocate those 22 licensed beds to the Surgical Tower.

c. Conversion of semi-private rooms to private rooms (23)

UNCH currently has a number of licensed acute care beds housed in semi-private rooms on its main campus, meaning those spaces are double-occupancy and each physical room houses two (2) licensed acute care beds. UNCH plans to convert 23 of those semi-private rooms to private rooms with single occupancy, rendering 23 licensed acute care beds available for placement elsewhere on the main campus. UNCH plans to relocate those 23 licensed beds to the Surgical Tower.

d. CON-approved, undeveloped acute care beds (22)

On August 4, 2023, UNCH received material compliance approval from the Agency with regard to a 2016 CON award for additional acute care beds at UNCH's main campus (Project ID # J-11164-16) ("2016 Beds Material Compliance"). Specifically, the Agency determined that UNCH's plan to develop 13 of the beds approved pursuant to Project ID # J-11164-16 in the Surgical Tower, rather than in existing space, was materially compliant with the representations made in the CON application.

Also on August 4, 2023, UNCH received material compliance approval from the Agency with regard to a 2017 CON award (Project ID # J-11337-17) to develop additional acute care beds on its main campus ("2017 Beds Material Compliance"). Specifically, the Agency determined that UNCH's plan to develop 9 beds approved pursuant to Project ID # J-11337-17 in the Surgical Tower, rather than in existing space, was materially compliant with the representations made in the CON application.

Based on these material compliance determinations (See Exhibit 4), the Agency has approved the development of these 22 additional CON-approved beds (13 + 9) in the Surgical Tower. These beds will be developed pursuant to the respective CONs issued, and costs for these beds will be tracked accordingly. UNCH recognizes that these beds are not a part of the Surgical Tower Exemption *per se*, but this information is provided to allow the Agency to have the full context for the project, which remains in large part exempt from CON review despite having some discrete CON regulated portions (i.e. the assets being developed in the tower pursuant to CON approvals).

There may be minor adjustments to the surgical tower plan going forward, in terms of

exactly which ICU service lines will be relocated to operate in the acute care beds in the Surgical Tower, but the current plan is to relocate 58 of UNCH's existing licensed acute care beds from the main hospital building to the new Surgical Tower on the main campus.⁴ The remaining 22 (of 80) acute care beds in the Surgical Tower will result from the development of the 22 CON-approved, undeveloped beds described in this Part III. This move of existing beds and development of CON-approved beds will not increase UNCH's existing and approved licensed bed capacity. These changes reflect the dynamic nature of a large academic medical center with multiple inter-related construction projects and UNCH's assessment of the optimal approach to developing and operationalizing these acute care beds on the main campus.

IV. Changes to Levels 2 and 3 Also Meet the Requirements of the Main Campus Exemption.

Despite some changes to levels 2 and 3 of the Surgical Tower as described below, the project still meets the Main Campus Exemption. Levels 2 and 3 of the Surgical Tower are currently planned to house 26 ORs. As explained in the 2020 Exemption, UNCH planned to relocate a total of 24 ORs from the main hospital building to the Surgical Tower. UNCH was approved pursuant to Project ID # J-12092-21 to develop two (2) additional operating rooms in the Surgical Tower for a total of 26 (24 relocated plus 2 additional) ORs. However, as UNCH has continued work on this project to optimize the programming for the building, it has also identified alternative opportunities for developing ORs in the Surgical Tower. These opportunities allow UNCH to maximize the OR capacity of the tower by developing CON-approved, undeveloped ORs in the Surgical Tower, thus requiring the relocation of 19 rather than 24 existing ORs.

On January 24, 2023, UNCH received material compliance approval from the Agency with regard to four CON awards⁵ to develop a combined total of nine (9) additional ORs on its main campus, two (2) of which were originally approved to be developed in the Surgical Tower and seven (7) of which were originally approved to be developed in existing space on the main campus. See Exhibit 5. The Agency determined that UNCH's plan to develop 7 of these 9 approved ORs in the Surgical Tower, rather than only developing 2 in the Surgical Tower, was materially compliant with the representations made in the CON applications.

Based on this material compliance determination, the Agency has approved the development of these 7 CON-approved ORs in the Surgical Tower. These ORs will be developed pursuant to the respective CONs issued, and costs for these ORs will be tracked accordingly. UNCH recognizes that these 7 ORs are not a part of the Surgical Tower Exemption *per se*, but this information is provided to allow the Agency to have the full context for the project, which remains in large part exempt from CON review despite having some discrete CON regulated portions (i.e. the assets being developed in the tower pursuant to

⁴ The 58 acute care beds to be relocated from the main hospital building include: 13 CTSU beds, 22 beds displaced by the NICU expansion project, and 23 beds resulting from the conversion of 23 semi-private rooms to private rooms.

⁵ Project ID #s: J-11644-18, J-11695-19, J-11900-20, and J-12092-21.

CON approvals). The relocation of 19 existing ORs from hospital space remains exempt, and will allow for the total of 26 ORs in the Surgical Tower. UNCH believes this plan represents the optimal approach to developing and operationalizing ORs on the main campus.

V. Conclusion

As demonstrated above, UNCH seeks to maximize the clinical capabilities of this Surgical Tower space while staying within the regulatory framework required by the relevant CON statutes, the development of CON-approved projects, and the CON Main Campus Exemption. It is our understanding and belief that all aspects of this project not specifically the subject of a CON approval are exempt from CON review pursuant to N.C. Gen. Stat. § 131E-184(g), and UNCH requests written confirmation of such understanding. Please do not hesitate to contact me at emily.cromer@unchealth.unc.edu if you have any questions, and thank you in advance for your attention to this matter.

Sincerely,

Emily Cromer

Emily Cromer
Director of Regulatory Affairs & Facility Strategy
UNC Health



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

ROY COOPER • Governor
MANDY COHEN, MD, MPH • Secretary
MARK PAYNE • Director, Division of Health Service Regulation

VIA EMAIL ONLY

October 22, 2020

Elizabeth Runyon
Elizabeth.Runyon@unchealth.unc.edu

Exempt from Review

Record #: 3371
Facility Name: University of North Carolina Hospitals
FID #: 923517
Business Name: University of North Carolina Hospitals at Chapel Hill
Business #: 1900
Project Description: Changes to the project described in Record #2311 involving accommodation of an observation bed unit, relocating 63 existing licensed acute care beds (instead of 56) and adding procedure rooms to the Surgical Tower Project on UNC Hospitals Main Campus
County: Orange

Dear Ms. Runyon:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that based on your letter of September 30, 2020, the above referenced proposal continues to be exempt from certificate of need review in accordance with N.C. Gen. Stat. §131E-184(g). Therefore, you may proceed to offer, develop or establish the above referenced project without a certificate of need.

However, you need to contact the Agency's Construction and Acute and Home Care Licensure and Certification Sections to determine if they have any requirements for development of the proposed project.

It should be noted that this determination is binding only for the facts represented by you. Consequently, if changes are made in the project or in the facts provided in your correspondence referenced above, a new determination as to whether a certificate of need is required would need to be made by the Agency. Changes in a project include but are not limited to: (1) increases in the capital cost; (2) acquisition of medical equipment not included in the original cost estimate; (3) modifications in the design of the project; (4) change in location; and (5) any increase in the number of square feet to be constructed.

If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,

Kim Meymandi
Project Analyst

Martha J. Frisone
Chief

cc: Construction Section, DHSR
Acute and Home Care Licensure and Certification Section, DHSR

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH SERVICE REGULATION
HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION

LOCATION: 809 Ruggles Drive, Edgerton Building, Raleigh, NC 27603
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<https://info.ncdhhs.gov/dhsr/> • TEL: 919-855-3873

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DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF HEALTH SERVICE REGULATION

ROY COOPER
GOVERNOR

MANDY COHEN, MD, MPH
SECRETARY

MARK PAYNE
DIRECTOR

June 30, 2017

Gary S. Qualls
430 Davis Drive, Suite 400
Morrisville, NC 27560

Exempt from Review

Record #: 2311
Facility Name: University of North Carolina Hospitals
FID #: 923517
Business Name: University of North Carolina Hospitals at Chapel Hill
Business #: 1900
Project Description: Construct a new surgical tower to accommodate the relocation of 24 existing operating rooms, 56 existing licensed acute care beds, central sterile processing, educational conference rooms and classrooms
County: Orange

Dear Mr. Qualls:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that based on your letter of June 22, 2017 the above referenced proposal is exempt from certificate of need review in accordance with N.C. Gen. Stat. §131E-184(g). Therefore, you may proceed to offer, develop or establish the above referenced project without a certificate of need.

However, you need to contact the Agency's Construction and Acute and Home Care Licensure and Certification Sections to determine if they have any requirements for development of the proposed project.

It should be noted that this determination is binding only for the facts represented by you. Consequently, if changes are made in the project or in the facts provided in your correspondence referenced above, a new determination as to whether a certificate of need is required would need to be made by the Agency. Changes in a project include, but are not limited to: (1) increases in the capital cost; (2) acquisition of medical equipment not included in the original cost estimate; (3) modifications in the design of the project; (4) change in location; and (5) any increase in the number of square feet to be constructed.

If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,

Bernetta Thorne-Williams
Project Analyst

Martha J. Frisone
Chief, Healthcare Planning and
Certificate of Need Section

cc: Construction Section, DHSR
Acute and Home Care Licensure and Certification Section, DHSR
Paige Bennett, Assistant Chief, Healthcare Planning, DHSR

HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION

WWW.NCDHHS.GOV

TELEPHONE 919-855-3873

LOCATION: EDGERTON BUILDING • 809 RUGGLES DRIVE • RALEIGH, NC 27603

MAILING ADDRESS: 2704 MAIL SERVICE CENTER • RALEIGH, NC 27699-2704

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- 1 NC Women's and Children's Hospitals
- 2 NC Neurosciences Hospital
- 3 NC Memorial Hospital
- 4 NC Basnight Cancer Hospital
- 5 Emergency Room Entrance

State of North Carolina

Department of Health and Human Services
Division of Health Service Regulation

Certificate of Need

for

Project ID #: J-12320-23

FID #: 923517

ISSUED TO: University of North Carolina Hospitals at Chapel Hill

Pursuant to G.S. 131E-177(6), the North Carolina Department of Health and Human Services hereby authorizes the person or persons named above (the certificate holder) to develop the project described below. The certificate holder shall develop the project in a manner consistent with the representations in the application and with the conditions contained herein and shall make good faith efforts to meet the timetable contained herein, as documented by the periodic progress reports required by G.S. 131E-189(a). The certificate holder shall not exceed the maximum capital expenditure amount specified herein during the development of this project, except as provided by G.S. 131E-176(16)e. The certificate holder shall not transfer or assign this certificate to any other person except as provided in G.S. 131E-189(c). This certificate is valid only for the scope, physical location, and person(s) described herein. The Department may withdraw this certificate pursuant to G.S. 131E-189 for any of the reasons provided in that section.

SCOPE: Develop no more than 24 Level IV NICU beds for a total of no more than 72 Level IV NICU beds/ Orange County

CONDITIONS: See Reverse Side

PHYSICAL LOCATION: University of North Carolina Medical Center
101 Manning Drive
Chapel Hill, NC 27514

CAPITAL EXPENDITURE: \$6,401,522

TIMETABLE: See Reverse Side

FIRST PROGRESS REPORT DUE: October 1, 2023

This certificate is effective as of May 31, 2023



Micheala Mitchell, Chief

CONDITIONS:

1. **University of North Carolina Hospitals at Chapel Hill (hereinafter certificate holder) shall materially comply with all representations made in the certificate of need application.**
2. **The certificate holder shall develop no more than 24 Level IV neonatal intensive care unit (NICU) beds for a total of no more than 82 neonatal beds upon completion of this project, including 72 Level IV NICU beds, and 10 Level III neonatal beds.**
3. **Progress Reports:**
 - a. **Pursuant to G.S. 131E-189(a), the certificate holder shall submit periodic reports on the progress being made to develop the project consistent with the timetable and representations made in the application on the Progress Report form provided by the Healthcare Planning and Certificate of Need Section. The form is available online at: <https://info.ncdhhs.gov/dhsr/coneed/progressreport.html>.**
 - b. **The certificate holder shall complete all sections of the Progress Report form.**
 - c. **The certificate holder shall describe in detail all steps taken to develop the project since the last progress report and should include documentation to substantiate each step taken as available.**
 - d. **The first progress report shall be due on October 1, 2023.**
4. **The certificate holder shall develop and implement an Energy Efficiency and Sustainability Plan for the project that conforms to or exceeds energy efficiency and water conservation standards incorporated in the latest editions of the North Carolina State Building Codes.**
5. **No later than three months after the last day of each of the first three full fiscal years of operation following initiation of the services authorized by this certificate of need, the certificate holder shall submit, on the form provided by the Healthcare Planning and Certificate of Need Section, an annual report containing the:**
 - a. **Payor mix for the services authorized in this certificate of need.**
 - b. **Utilization of the services authorized in this certificate of need.**
 - c. **Revenues and operating costs for the services authorized in this certificate of need.**
 - d. **Average gross revenue per unit of service.**
 - e. **Average net revenue per unit of service.**
 - f. **Average operating cost per unit of service.**
6. **The certificate holder shall acknowledge acceptance of and agree to comply with all conditions stated herein to the Agency in writing prior to issuance of the certificate of need.**

A letter acknowledging of and agreeing to comply with all conditions stated in the conditional approval letter was received by the Agency on April 28, 2023.

(J-12320-23 Con't)

Timetable

	Milestone	Date <i>mm/dd/yyyy</i>
2	Drawings Completed	3/12/23
4	Construction / Renovation Contract(s) Executed	3/12/23
5	25% of Construction / Renovation Completed (25% of the cost is in place)	6/19/23
6	50% of Construction / Renovation Completed	9/26/23
7	75% of Construction / Renovation Completed	1/3/24
8	Construction / Renovation Completed	4/12/24
9	Equipment Ordered	10/12/23
10	Equipment Installed	3/12/24
11	Equipment Operational	4/12/24
12	Building / Space Occupied	6/12/24
13	Licensure Obtained	6/12/24
14	Services Offered	7/1/24
15	Medicare and / or Medicaid Certification Obtained	7/1/24
16	Facility or Service Accredited	7/1/24
17	First Annual Report Due* (only for non-ESRD decisions)	9/30/25



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VIA EMAIL ONLY

August 4, 2023

Emily Cromer
Director of Regulatory Affairs & Facility Strategy
Emily.Cromer@unchealth.unc.edu

Material Compliance Approval

Project ID #: J-11164-16
Facility: University of North Carolian Hospitals
Project Description: Develop no more than 55 additional acute care beds on the Chapel Hill campus for a total of no more than 789 acute care beds on the Chapel Hill campus and a total of no more than 890 acute care beds on the license
County: Orange
FID #: 923517

Dear Ms. Cromer:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) has determined that the proposed change is in material compliance with representations made in the application. These changes include the development of 13 of the additional acute care beds in the new surgical tower.

It should be noted that the Agency's position is based solely on the facts represented by you and that any change in facts as represented would require further consideration by this office and a separate determination.

Moreover, **if** the proposed changes described above will **not** be incorporated into the project as developed, the certificate holder must notify the Agency in writing.

If you have any questions concerning this matter, please feel free to contact this office. Please refer to the Project ID # and Facility ID # (FID) in all correspondence.

Sincerely,

A handwritten signature in cursive script, appearing to read "Cynthia Bradford".

Cynthia Bradford, Project Analyst

A handwritten signature in cursive script, appearing to read "Micheala Mitchell".

Micheala Mitchell, Chief

cc: Construction Section, DHSR
Acute and Home Care Licensure and Certification Section, DHSR

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH SERVICE REGULATION
HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION

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VIA EMAIL ONLY

August 4, 2023

Emily Cromer
Director of Regulatory Affairs & Facility Strategy
Emily.Cromer@unchealth.unc.edu

Material Compliance Approval

Project ID #: J-11337-17
Facility: University of North Carolina Hospitals
Project Description: Add nine new acute care beds on the Chapel Hill campus for a total of 798 acute care beds on that campus and 931 on the hospital license
County: Orange
FID #: 923517

Dear Ms. Cromer:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) has determined that the proposed change is in material compliance with representations made in the application. These changes include the development of the nine additional acute care beds in the new surgical tower rather than in Unit 4 West of the hospital.

It should be noted that the Agency's position is based solely on the facts represented by you and that any change in facts as represented would require further consideration by this office and a separate determination.

Moreover, **if** the proposed changes described above will **not** be incorporated into the project as developed, the certificate holder must notify the Agency in writing.

If you have any questions concerning this matter, please feel free to contact this office. Please refer to the Project ID # and Facility ID # (FID) in all correspondence.

Sincerely,

Cynthia Bradford, Project Analyst

Micheala Mitchell, Chief

cc: Construction Section, DHSR
Acute and Home Care Licensure and Certification Section, DHSR

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January 24, 2023

Emily Cromer, Director of Regulatory Affairs & Facility Strategy
Emily.cromer@unchealth.unc.edu

Material Compliance Approval

Project ID #: J-11644-18, J-11695-19, J-11900-20 and J-12092-21

Facility: University of North Carolina Hospitals

Project Descriptions: J-11644-18/Develop no more than 2 additional operating rooms on the Chapel Hill Campus for a total of no more than 42 operating rooms on the Chapel Hill campus and 8 operating rooms on the Hillsborough campus upon completion of this project and Project ID # J-11646-18 (add 2 ORs)

J-11695-19/Develop no more than 1 additional operating room on the Chapel Hill Campus for a total of no more than 43 operating rooms on the Chapel Hill campus and 8 operating rooms on the Hillsborough campus upon completion of this project, Project ID # J-11644-18 (add 2 ORs), and Project ID # J-11646-18

J-11900-20/Develop 3 additional ORs on the Chapel Hill Campus pursuant to the need determination in the 2020 SMFP for a total of 54 ORs upon completion of this project and Project ID #s: J-11644-18 (add 2 in Chapel Hill); J-11646-18 (add 2 in Hillsborough) and J-11695-19 (add 1 in Chapel Hill)

J-12092-21/Develop no more than 3 ORs on the main campus pursuant to the need determination in the 2021 SMFP for a total of no more than 57 ORs (49 ORs on the main campus and 8 ORs on the Hillsborough campus) upon completion of this project, Project ID # J-11644-18 (add 2 ORs), Project ID # J-11646-18 (add 2 ORs), Project ID # J-11695-19 (add 1 OR), and Project ID # J-11900-20 (add 3 ORs)

County: Orange
FID #: 923517

Dear Ms. Cromer:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) has determined that the proposed changes are in material compliance with representations made in the applications. These changes include the development of seven of the nine operating rooms approved in the above referenced projects in the Surgical Tower and the development of the two of the operating rooms in renovated space in the Annex.

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH SERVICE REGULATION

HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION

LOCATION: 809 Ruggles Drive, Edgerton Building, Raleigh, NC 27603

MAILING ADDRESS: 809 Ruggles Drive, 2704 Mail Service Center, Raleigh, NC 27699-2704

<https://info.ncdhhs.gov/dhsr/> • TEL: 919-855-3873

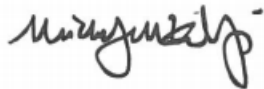
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It should be noted that the Agency's position is based solely on the facts represented by you and that any change in facts as represented would require further consideration by this office and a separate determination.

Moreover, **if** the proposed changes described above will **not** be incorporated into the projects as developed, the certificate holder must notify the Agency in writing.

If you have any questions concerning this matter, please feel free to contact this office. Please refer to the Project ID # and Facility ID # (FID) in all correspondence.

Sincerely,



Michael J. McKillip
Team Leader



Micheala Mitchell
Chief

cc: Construction Section, DHSR
Acute and Home Care Licensure and Certification Section, DHSR

From: [Mitchell, Micheala L](#)
To: [Stancil, Tiffany C](#)
Cc: [Mckillip, Mike](#)
Subject: FW: [External] UNC Hospitals Main Campus Surgical Tower Exemption Update
Date: Thursday, August 17, 2023 11:47:53 AM
Attachments: [2023.8 Update to Surgical Tower Main Campus CON Exemption Notice.pdf](#)

Morning Tiffany,

Hoping all is well your way!

Would you mind logging this as an exemption and assigning it to Cindy?

Thanks,

Micheala Mitchell, JD
[NC Department of Health and Human Services](#)
[Division of Health Service Regulation](#)
Section Chief, Healthcare Planning and CON Section
809 Ruggles Drive, Edgerton Building
2704 Mail Service Center
Raleigh, NC 27699-2704
Office: 919 855 3879
Micheala.Mitchell@dhhs.nc.gov

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From: Cromer, Emily <Emily.Cromer@unchealth.unc.edu>
Sent: Thursday, August 17, 2023 11:43 AM
To: Mckillip, Mike <mike.mckillip@dhhs.nc.gov>; Mitchell, Micheala L <Micheala.Mitchell@dhhs.nc.gov>
Cc: Bradford, Cynthia L <cynthia.bradford@dhhs.nc.gov>; Runyon, Elizabeth <Elizabeth.Runyon@unchealth.unc.edu>
Subject: [External] UNC Hospitals Main Campus Surgical Tower Exemption Update

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Mike and Micheala,

Please find attached an update to UNC's main campus Surgical Tower exemption. Mike, this is the update that I previewed to you and Cindy last month; it encapsulates the various changes to the Surgical Tower that we discussed.

We look forward to your response. Please let me know if you have any questions in the meantime.

Thank you,
Emily

Emily Cromer
Director of Regulatory Affairs & Facility Strategy
UNC Health
(984) 215-6213
emily.cromer@unchealth.unc.edu

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